

CENTRAL EUROPE & RUSSIA FUND, INC.  
Form N-Q  
September 29, 2009  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

---

Investment Company Act file number 811-06041

The Central Europe & Russia Fund, Inc.

(Exact name of registrant as specified in charter)

345 Park Avenue

New York, NY 10154

(Address of principal executive offices) (Zip code)

Paul Schubert

345 Park Avenue

New York, NY 10154-0004

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 454-7190

Date of fiscal year end: 10/31

Date of reporting period: 7/31/09

**ITEM 1. SCHEDULE OF INVESTMENTS**

---

Edgar Filing: CENTRAL EUROPE & RUSSIA FUND, INC. - Form N-Q

THE CENTRAL EUROPE AND RUSSIA FUND, INC.  
SCHEDULE OF INVESTMENTS - JULY 31, 2009 (unaudited)

Shares	Description	Value <sup>(a)</sup>
<b>INVESTMENTS IN RUSSIAN SECURITIES - 49.2%</b>		
<b>COMMERCIAL BANKS - 5.7%</b>		
18,500,000	Sberbank	\$ 25,345,000
<b>CONSTRUCTION MATERIALS - 0.5%</b>		
504,000	LSR Group (GDR) Reg S*	2,016,000
<b>DIVERSIFIED FINANCIAL SERVICES - 0.0%</b>		
52,000	Vostok Nafta Investment (SDR)*	188,390
<b>DIVERSIFIED TELECOMMUNICATION - 2.9%</b>		
800,000	Comstart United Telesystems (GDR) Reg S	4,000,000
90,100	Rostelecom (ADR)+	2,703,000
500,000	Vimpel Communications (ADR)*	6,332,800
		13,035,800
<b>ELECTRIC UTILITIES - 0.1%</b>		
216,633	OJSC Fifth Power Generation (GDR)*	454,713
<b>ELECTRIC-INTEGRATED - 0.8%</b>		
100,000,000	RusHydro*	3,470,000
<b>ENERGY EQUIPMENT &amp; SERVICES - 0.6%</b>		
1,270,371	Integra Group Holdings (GDR)*	2,667,779
<b>FOOD PRODUCTS - 1.2%</b>		
80,000	Wimm Bill Dann Foods (ADR)*+	5,388,184
<b>MEDIA - 0.9%</b>		
350,000	CTC Media*+	4,245,500
<b>METALS &amp; MINING - 5.3%</b>		
4,650,000	Kuzbassrazrezugol*	825,375
500,000	Magnitogorsk Iron & Steel Works*	3,900,000
1,550,000	MMC Norilsk Nickel (ADR)*	15,523,250
1,300,000	Raspadskaya*	3,380,000
		23,628,625

Shares	Description	Value <sup>(a)</sup>
<b>OIL, GAS &amp; CONSUMABLE FUELS - 26.7%</b>		
3,198,000	Gazprom	\$ 16,149,900
1,033,774	Gazprom (ADR)	21,192,367
300,000	LUKOIL	15,030,000
405,000	LUKOIL (ADR)	20,452,500
140,000	NovaTek OAO (GDR) Reg S	6,035,400
4,300,000	Rosneft Oil Company (GDR) Reg S	26,273,000

Edgar Filing: CENTRAL EUROPE & RUSSIA FUND, INC. - Form N-Q

1,450,000	Surgutneftegaz (ADR)+	11,179,500
133,333	Tatneft (GDR) Reg S*	3,226,659
52,000	Vostok Gas*+	1,570
		119,540,896
	<b>WIRELESS TELECOMMUNICATION SERVICES - 3.6%</b>	
1,200,000	Mobile Telesystems	6,660,000
125,000	Mobile Telesystems (ADR)	5,174,112
100,000	Mobile Telesystems (GDR) Reg S	4,139,290
		15,973,402
	Total Common Stocks (cost \$208,521,227)	215,954,289
	<b>PREFERRED STOCKS - 0.9%</b>	
	<b>OIL, GAS &amp; CONSUMABLE FUELS - 0.9%</b>	
1,320,000	Surgutneftegaz (ADR) (cost \$6,310,195)	4,111,972
	Total Investments in Russian Securities (cost \$214,831,422)	220,066,261
	<b>INVESTMENTS IN POLISH COMMON STOCKS - 13.8%</b>	
	<b>COMMERCIAL BANKS - 7.2%</b>	
300,000	Bank Pekao*	14,944,574
1,505,000	Powszechna Kasa Oszczednosci Bank Polski+	17,151,892
		32,096,466
	<b>DIVERSIFIED TELECOMMUNICATION - 2.8%</b>	
2,500,000	Telekomunikacja Polska	12,736,075
	<b>METALS &amp; MINING - 2.8%</b>	
425,000	KGHM Polska Miedz	12,577,836

The accompanying notes are an integral part of the financial statements.

**THE CENTRAL EUROPE AND RUSSIA FUND, INC.**  
**SCHEDULE OF INVESTMENTS - JULY 31, 2009 (unaudited) (continued)**

Shares	Description	Value <sup>(a)</sup>
<b>INVESTMENTS IN POLISH COMMON STOCKS - (continued)</b>		
<b>OIL, GAS &amp; CONSUMABLE FUELS - 1.0%</b>		
460,000	Polski Koncern Naftowy Orlen*	\$ 4,475,982
	Total Investments in Polish Common Stocks (cost \$47,675,793)	61,886,359
<b>INVESTMENTS IN TURKISH COMMON STOCKS - 13.6%</b>		
<b>AUTOMOBILES - 1.0%</b>		
2,100,000	Tofas Turk Otomobil Fabrikasi	4,362,901
<b>COMMERCIAL BANKS - 5.3%</b>		
2,800,000	Turkiye Garanti Bankasi*	9,821,248
1,700,000	Turkiye Halk Bankasi	9,001,686
837,894	Turkiye IS Bankasi	2,882,468
3,000,000	Turkiye Sinai Kalkinma Bankasi	2,165,261
		23,870,663
<b>CONSTRUCTION &amp; ENGINEERING - 0.8%</b>		
1,246,735	Tekfen Holding	3,347,052
<b>CONSTRUCTION MATERIALS - 0.2%</b>		
415,645	Akcansa Cimento	1,093,434
<b>DIVERSIFIED OPERATIONS - 0.5%</b>		
1,000,000	KOC Holding	2,333,895
<b>FOOD &amp; STAPLES RETAILING - 0.7%</b>		
75,000	Bim Birlesik Magazalar	2,934,233
<b>INDUSTRIAL CONGLOMERATES - 0.6%</b>		
750,000	Enka Insaat VE Sanayi	2,529,511
<b>INSURANCE - 1.9%</b>		
2,000,000	Aksigorta	6,016,863
1,300,000	Anadolu Hayat Emeklilik	2,472,850
		8,489,713
<b>OIL, GAS &amp; CONSUMABLE FUELS - 0.6%</b>		
200,000	Tupras-Turkiye Petrol Rafinerileri	2,563,238
Shares	Description	Value <sup>(a)</sup>
<b>TELECOM SERVICES - 0.4%</b>		
600,000	Turk Telekomunikasyon	\$ 1,813,153
<b>WIRELESS TELECOMMUNICATION SERVICES - 1.6%</b>		

Edgar Filing: CENTRAL EUROPE & RUSSIA FUND, INC. - Form N-Q

1,150,000	Turkcell Iletism Hizmetleri	7,252,951
	Total Investments in Turkish	
	Common Stocks	
	(cost \$47,181,891)	60,590,744
<b>INVESTMENTS IN CZECH REPUBLIC</b>		
<b>COMMON STOCKS - 10.9%</b>		
	<b>COMMERCIAL BANKS - 1.9%</b>	
50,000	Komercni Banka	8,567,556
	<b>DIVERSIFIED</b>	
	<b>TELECOMMUNICATION - 3.0%</b>	
490,000	Telefonica O2 Czech Republic	13,284,276
	<b>ELECTRIC UTILITIES - 5.4%</b>	
450,000	Ceske Energeticke Zavody	24,051,123
	<b>MINING SERVICES - 0.6%</b>	
400,000	New World Resources	2,560,584
	Total Investments in Czech	
	Republic Common Stocks	
	(cost \$19,102,731)	48,463,539
<b>INVESTMENTS IN HUNGARIAN</b>		
<b>COMMON STOCKS - 4.1%</b>		
	<b>COMMERCIAL BANKS - 1.2%</b>	
250,000	OTP Bank*+	5,307,937
	<b>DIVERSIFIED</b>	
	<b>TELECOMMUNICATION - 1.4%</b>	
	Magyar Telekom	
1,800,000	Telecommunications Plc	6,498,540
	<b>PHARMACEUTICALS - 1.5%</b>	
30,000	Richter Gedeon Nyrt.	5,885,320
4,300	Richter Gedeon Nyrt. (GDR)	823,880
		6,709,200
	Total Investments in Hungarian	
	Common Stocks	
	(cost \$9,918,909)	18,515,677

The accompanying notes are an integral part of the financial statements.

**THE CENTRAL EUROPE AND RUSSIA FUND, INC.**  
**SCHEDULE OF INVESTMENTS - JULY 31, 2009 (unaudited) (continued)**

Shares	Description	Value <sup>(a)</sup>
<b>INVESTMENTS IN AUSTRIAN WARRANTS - 2.8%</b>		
	<b>COMMERCIAL BANKS - 2.8%</b>	
	Erste Group Bank (issuer Morgan Stanley), Expiration Date 5/25/2010 (cost \$9,373,733)	\$ 12,549,208
400,000		
<b>INVESTMENTS IN KAZAKHSTAN COMMON STOCKS - 1.2%</b>		
	<b>OIL, GAS &amp; CONSUMABLE FUELS - 1.2%</b>	
	KazMunaiGas Exploration Production (GDR) Reg S (cost \$3,344,175)	5,387,500
250,000		
	Total Investments in Common and Preferred Stocks - 95.6% (cost \$351,428,654)	427,459,288
<b>SECURITIES LENDING COLLATERAL - 6.9%</b>		
	Daily Assets Fund Institutional, 0.39% (cost \$30,869,208) <sup>(b)(c)</sup>	30,869,208
30,869,208		
<b>CASH EQUIVALENTS - 1.3%</b>		
	Cash Management QP Trust, 0.27% (cost \$5,777,827) <sup>(c)</sup>	5,777,827
5,777,827		
	Total Investments - 103.8% (cost \$388,075,689)	464,106,323
	Other Assets and Liabilities, Net - (3.8%)	(17,171,029)
	<b>NET ASSETS-100.0%</b>	<b>\$ 446,935,294</b>

\* Non-income producing securities.

+ All or a portion of these securities were on loan. The value of all securities loaned at July 31, 2009 amounted to \$29,510,943 which is 6.6% of the net assets.

(a) Values stated in US dollars.

(b) Represents collateral held in connection with securities lending. Income earned by the fund is net of borrower rebates.

(c) Affiliated fund managed by Deutsche Investment Management Americas Inc. The rate shown is the annualized seven-day yield at period end.

ADR - American Depositary Receipt

GDR - Global Depositary Receipt

SDR - Swedish Depositary Receipt

The accompanying notes are an integral part of the financial statements.



**THE CENTRAL EUROPE AND RUSSIA FUND, INC.**  
**SCHEDULE OF INVESTMENTS - JULY 31, 2009 (unaudited) (continued)**

**Fair Value Measurements**

*Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements", as amended, establishes a three-tier hierarchy for measuring fair value and requires additional disclosure about the classification of fair value measurements.*

*Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant unobservable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.*

*The following is a summary of the inputs used as of July 31, 2009 in valuing the Fund's investments. Please see below for information on the Fund's policy regarding valuation inputs, and their aggregate levels used in the table below:*

Category	Level 1	Level 2	Level 3	Total
Common Stocks and/or Other Equity Investments <sup>(d)</sup>				
Russia	\$ 220,066,261	\$ 0	\$ 0	\$ 220,066,261
Poland	61,886,359	0	0	61,886,359
Turkey	60,590,744	0	0	60,590,744
Czech Republic	48,463,539	0	0	48,463,539
Hungary	18,515,677	0	0	18,515,677
Kazakhstan	5,387,500	0	0	5,387,500
Austria	0	0	12,549,208	12,549,208
Short-Term Instruments <sup>(d)</sup>	29,510,943	5,777,827 <sup>(e)</sup>	0	35,288,770
<b>Total</b>	<b>\$ 444,421,023</b>	<b>\$ 5,777,827</b>	<b>\$ 12,549,208</b>	<b>\$ 462,748,058</b>

(d) See Investment Portfolio for additional detailed categorizations.

(e) Investment in Cash Management QP Trust, an affiliated fund, is reflected as Level 2 since it is available only to affiliated funds.

*The following is a reconciliation of the Portfolio's Level 3 investments for which significant unobservable inputs were used in determining value:*

Level 3 Reconciliation	Common Stock and/or Other Equity Investments
	Austria
Balance as of April 30, 2009	\$ -
Realized gains (loss)	-
Change in unrealized appreciation (depreciation)	-
Amortization premium/discount	-
Net purchases (sales)	12,549,208
Net transfers in (out) of Level 3	-
Balance as of July 31, 2009	\$ 12,549,208
Net change in unrealized appreciation (depreciation) from investments still held as of July 31, 2009	\$ 3,175,475

The accompanying notes are an integral part of the financial statements.





**ITEM 2. CONTROLS AND PROCEDURES**

(a) The Chief Executive and Financial Officers concluded that the Registrant's Disclosure Controls and Procedures are effective based on the evaluation of the Disclosure Controls and Procedures as of a date within 90 days of the filing date of this report.

(b) There have been no changes in the registrant's internal control over financial reporting that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting.

**ITEM 3. EXHIBITS**

Certification pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) is filed and attached hereto as Exhibit 99.CERT.

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: The Central Europe & Russia Fund, Inc.

By: /s/Michael G. Clark

Michael G. Clark

President

Date: September 23, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Registrant: The Central Europe & Russia Fund, Inc.

By: /s/Michael G. Clark

Michael G. Clark

President

Date: September 23, 2009

By: /s/Paul Schubert

Paul Schubert

Chief Financial Officer and Treasurer

Date: September 23, 2009

